

INTERMOUNTAIN POWER SERVICE CORPORATION

*express*  
**RECEIVED**

March 20, 2008

MAR 24 2008

UTAH DIVISION OF  
SOLID & HAZARDOUS WASTE

08.01146

Mr. Dennis R. Downs, Director  
Division of Solid and Hazardous Waste  
288 North 1460 West  
P.O. Box 144880  
Salt Lake City, UT 84114-4880

Reference: 2008 Annual Solid Waste Report for 2007

Dear Mr. Downs:

Attached are two Solid Waste Landfill Annual Report Forms. One for the Sanitary Landfill, the other for the Combustion By-Products Landfill. These landfills are covered under the same permit (Approval # 9103R3).

Both landfills at Intermountain Power Service Corporation are classified as Class IIIb by the Division of Solid and Hazardous Waste. Our Financial Assurance program was established with the State in April 2000. Intermountain Power Service Corporation has posted a certificate of deposit with the Utah Public Treasurers Investment Fund to cover reclamation costs and post closure costs for the Sanitary Landfill. Since this certificate earns interest, the existing money in the certificate will cover any increase in reclamation costs.

A copy of the certificate of deposit and an estimate of reclamation costs for both the Sanitary and Combustion By-Products landfills are attached. The cost to reclaim the landfills has been increased by the inflation rate of 4.01 percent over last year's estimate. The documentation from the Intermountain Power Agency (IPA), Independent Auditors' Report, which supports the funding level of the restricted assets is also attached.

As owner of the Intermountain Power Generating Facility, IPA, is responsible for the financing of expenditures associated with the operation of the Generating Station. This includes management of the Combustion By-Products Landfill. The expense for closure and post-closure care for this landfill would be financed from participant and facility operating revenue. If needed, funds may also be made available from a structured self-insurance program, which has present funding at approximately \$7,662,000. Additionally, a reserve and contingency fund, which is funded at \$40,204,000 may be used for this purpose.

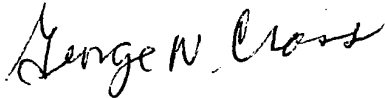
Personnel who work at the landfills are referred to as Fuel Equipment Operators (FEO's). FEO's are required to take basic safety and training classes that relate to their job. In addition, laborers pick up trash from local waste receptacles and take the trash to dumpsters. The FEO's haul the dumpsters to the landfill, dump and cover the trash. Both the laborers and the FEO's are required to take training classes related to their job. A list of these classes is attached. All FEO's were current with the training requirements through the 2007 year. Both of

Mr. Dennis R. Downs  
March 20, 2008  
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these groups are given a specific class pertaining to the landfills. This class covers operation and regulations governing the operation of both landfills. An outline of the class is attached in the training section of the annual report.

If you have questions or need further assistance, contact Mr. Wes J. Bloomfield, Superintendent of Technical Services at (435) 864-6401

Sincerely,



George W. Cross  
President and Chief Operations Officer

RAW/BP:jmj   
Attachments

cc: Nick C. Kezman  
Blaine Ipson  
Van Beckstrom (w/attachments)  
Jim Hewlett (IPA) (w/attachments)

Mail to:  
Dennis R. Downs, Director  
Division of Solid and Hazardous Waste  
P.O. Box 144880  
Salt Lake City, Utah 84114-4880

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UTAH DIVISION OF  
SOLID & HAZARDOUS WASTE

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**SOLID WASTE LANDFILL ANNUAL REPORT**

For Calendar year 2007 or most recent fiscal year

**Administrative Information** (Please enter all the information requested below - type or print legibly)

Facility Name: Intermountain Generating Facility (Combustion By-Products)

Facility Mailing Address: 850 West Brush Wellman Road

(Number & Street, Box and/or Route)

City: Delta Zip Code: 84624

County: Millard

Owner

Name: Intermountain Power Agency Phone No.: (801) 938-1333

Mailing Address: 10653 South River Front Parkway, Suite 120

(Number & Street, Box and/or Route)

City: South Jordan State: Utah Zip Code: 84095

Contact's Name: James A. Hewlett Title: Assistant General Manager

Contact's Mailing Address: 10653 South River Front Parkway, Suite 120

Phone No.: (801) 938-1313 Contact's Email Address: jim@ipa.com

Operator (Complete this section only if the operator is not an employee of the Owner shown above)

Name: Intermountain Power Service Corp. Phone No.: (435) 864-4414

Mailing Address: 850 West Brush Wellman Road

(Number & Street, Box and/or Route)

City: Delta State: Utah Zip Code: 84624

Contact's Name: Ron Westlund Title: Environmental Engineer

Contact's Mailing Address: 850 West Brush Wellman Road, Delta, Utah 84624

Phone No.: (435) 864-6493 Contact's Email Address: ron-w@ipsc.com

**Facility Type and Status**

☐ Class I

☒ Class IIIb

☐ Class V

☐ Class II

☐ Class IVa

☐ Class VI

☐ Class IIIa

☐ Class IVb

C/D cell not operated under a separate permit number. Yes ☐ No ☒

If facility was permanently closed during the year enter date closed: N/A

**Annual Disposal**

Total tons received at facility for disposal:

Waste Type	Waste Origin		Total	Measurement	
	In-State	Out-of-State		Tons	Cubic Yards
Municipal	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<input type="checkbox"/>	<input type="checkbox"/>
Industrial	<u>263,204</u>	<u>N/A</u>	<u>263,204</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C/D <sup>1</sup>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>1</sup>C/D waste includes all waste going to a Class IV of VI landfill cell

**Conversion Factor Used**

- ☐ No conversion factors used  
☐ Conversion factor from rules (R315-302-2(4)c)) used  
☒ Site specific conversion used Please list: 1 yd<sup>3</sup> = 2,400 lb

**Recycling**

Material Recycled: 0 Tons/Cubic Yds.  
(Material recycled should not be included in disposed tons reported. Report compost on separate form. Circle tons or yards)

**Utah Disposal Fee**

Disposal Fee Required to be Paid to State

Yes ☐ No ☒

Fee Paid	Municipal	\$ <u>N/A</u>	C/D	\$ <u>N/A</u>
	Industrial	\$ <u>N/A</u>	Annual	\$ <u>N/A</u>

**Landfill Capacity**

Current Landfill Remaining Capacity

Tons: \_\_\_\_\_  
Years: \_\_\_\_\_

Cubic Yards: \_\_\_\_\_  
Acres: \_\_\_\_\_

**Financial Assurance**

Current Closure Cost Estimate: \$241,100

Current Post-Closure Cost Estimate: \$142,450

Current Amount or Balance in Mechanism: \$7,622,000

(If balance does not equal or exceed total for closure and post-closure care please contact the Division)

Current Financial Assurance Mechanism: Trust Fund

(ie. Bond, Trust Fund, Corporate or government Test etc.)

Mechanism Holder and Account Number: Intermountain Power Agency

(ie. Name of Bond Company, Bank etc. Account number)

Financial Assurance: Each facility must recalculate the cost of closure and post-closure care to account for inflation and design changes each year. The inflation factor can be found on the Division web page.

Facilities that are using a trust account should include a copy of the most recent account statement.

Note Facilities using "Local Government Financial Test" or the "Corporate Financial Test" must provide the information required in R315-309-8(4) or R315-309-9(3) each year.

**Other Required Reports**

Ground Water Monitoring: Class I and V landfills only. Check if exempt ☒

Explosive Gas Monitoring: Class I, II and V landfills only. Check if exempt ☒

Training Report: A report of all training programs or procedures completed by facility personnel during the year.

Signature: George W. Cross Date: 3/20/08  
Signature should be an executive officer, general partner, proprietor, elected official, or duly authorized representative. A duly authorized representative must meet the requirement of the solid waste rules (UAC R315-310-2(4)(d)).

Print Name: George W. Cross Title: President & Chief Operations Officer

## **Cost Estimate for Closure of the Combustion By-Products Landfill**

Intermountain Power Service Corporation (IPSC) has a class IIIb landfill located at the Intermountain Generating Station in Delta Utah. The landfill is located in Township 15 South, Range 7 West, N ½ of section 11 and covers about 339 acres. The following is an estimate of the cost to close the Combustion By-Products landfill. The basis for the estimation is that the landfill area of 339 acres is divided into the following areas:

- 275 acres of seven disposal cells of 39 acres each
- 40 acres of roads, runoff ditches, and berms
- 18 acres of buffer area with natural growth
- 6 acres of the runoff basin

A worst case condition would be one cell in the non-reclaimed state and would have to be reclaimed. Cost for seeding and soil moving and grading are the same as the Sanitary Landfill as submitted to the State of Utah last year.

- Seeding, mulching and (if needed fertilizing) one cell, the roads and pond area.  
85 acres at \$756.10/acre = \$64,269
- Covering one cell of 39 acres with 2 feet of soil based on the cost of 262/yard per hour.  
 $(2\text{ft}) \times (39\text{ acre}) \times (43560\text{ cu ft/acre ft}) / (27\text{ cu ft/cu yd}) / (262\text{cu yd/hr}) \times (\$686/\text{hr}) = \$329,490$
- Moving soil from the berm to cover the roads & ditch (40 acres).  
\$185.80/ hr estimate 120 hours = \$22,296
- Moving the soil from pond dikes to fill in pond.  
\$185.80/hr estimate 24 hours = \$4,560
- **WORST CASE ESTIMATE = \$420,600**

However, having a full cell open is not a very likely condition. To fill a cell takes about five to seven years. The permit renewals are on a five year schedule. Half of a cell open would be a more realistic concept. Since hauling the soil is the greatest expense, the cost would be \$209,845 if only a half cell was left to reclaim. (65.5 acres in item #1 and half of item #2 plus item 3 & 4).

- **REALISTIC ESTIMATE = \$241,100**

This is the estimate submitted for the 2008 Solid Waste Landfill Annual Report.

## Landfill Post-Closure Care Cost Estimates

### Sanitary and Combustion By-Products Landfills

Intermountain Power Service Corporation (IPSC) has two landfills at the Generating site located near Delta Utah. With the two landfill sites located less than a mile apart, post-closure costs for the two landfills are figured together. This way travel and mobilization costs are reduced as work can be done on both site in one visit. Costs for each landfill can be split up based in the area of each landfill. Both landfills are Class IIb landfills. They do not require ground water monitoring and analysis, gas monitoring and collection, or a leachate collection/disposal system or maintenance on these systems.

The post-closure plan consists of annual inspections of the landfills, Maintenance of roads, fences, and surface drainage ditches and touching up small areas with vegetation reseeding. IPSC has observed that letting an area revegetate naturally has provided superior coverage and resilience than remediate seeding. Plants that grow from natural seed once established do better. By the time the landfill is scheduled for closure, a large share of the landfills should be reseeded.

#### Post Closure Costs for Both Landfills:

Annual site inspections and recordkeeping: \$520/inspection/ year X 30 yr =	\$15,600
Spot vegetation reseeding on 1% of the landfill area per year 4 acres/year X \$459*/ acre X 30 yr =	\$55,100
Maintenance of site(fences, ditches, and slopes of landfills) 40 hours/yr X \$78.00/hr X 30 yrs =	\$93,600
Total post closure costs for both landfills	\$164,300

\* Reclamation costs minus the scraper time to place soil (pg81). 1 hour / acre backhoe time plus 3.0 cu yards of soil per acre @ \$2.00/yd = 370 + 65 + 6 = \$441

The costs are divided between each landfill based on area.

Area combustion By-Products Landfill = 339 acres  
Area Sanitary Landfill = 52 acres

Cost for Combustion By-Products Landfill = $339/52 + 339 \times \$ 157,920 =$	\$142,450
Cost for Sanitary Landfill = $52/52 + 339 \times \$157,920 =$	\$ 21,850

The financial assurance requirements for the combustion by-products landfill closure costs is already in place. The corporate financial test ( R315-309-9) is being used to meet the required financial assurance. The increased costs associated with post-closure costs of the combustion by-products landfill will be covered by the existing corporate financial mechanism.

The financial assurance requirements for the sanitary landfill, an account with the Utah Public Treasurers Investment Fund (PTIF) has been opened by IPA. Once the State agrees with the estimate for post-closure costs, that amount will be added to IPA's PTIF account.

# ***Intermountain Power Agency***

*Consolidated Financial Statements for the Years  
Ended June 30, 2007 and 2006 and Independent  
Auditors' Report*





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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Intermountain Power Agency:

We have audited the accompanying consolidated balance sheets of Intermountain Power Agency ("IPA") as of June 30, 2007 and 2006, and the related consolidated statements of revenues and expenses, and cash flows for the years then ended. These financial statements are the responsibility of IPA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IPA's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of IPA as of June 30, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the basic consolidated financial statements, but is supplementary information required by the Governmental Accounting Standards Board. This supplementary information is the responsibility of IPA's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The additional information in the supplemental schedule is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. This additional information is the responsibility of IPA's management. Such information has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

*Deloitte + Touche LLP*

September 28, 2007

Member of  
Deloitte Touche Tohmatsu

**Funds Established by the Bond Resolution** – The Bond Resolution requires that certain funds be established to account for IPA's receipts and disbursements and stipulates the use of monies, investments held in such funds and balances that are to be maintained in certain of the funds. Balances in the other funds are determined by resolution of the IPA Board of Directors. A summary of funds established by the Bond Resolution and the aggregate amount of assets held in these funds, including accrued interest receivable as of June 30, 2007 and 2006 is as follows (in thousands):

	2007	2006
Restricted assets:		
Debt Service Fund:		
Debt Service Account	\$ 119,585	\$ 115,094
Debt Service Reserve Account	204,735	212,805
Subordinated Indebtedness Fund:		
Debt Service Account	15,007	12,057
Debt Service Reserve Account	3,292	
Reserve and Contingency Fund:		
Renewal and Replacement	1,964	6,129
Reserve Account	40,204	39,711
Self-Insurance Fund	7,622	7,449
General Reserve Fund (Note 9)	<u>90,574</u>	<u>109,933</u>
Total restricted assets	482,983	503,178
Operating Fund	<u>33,073</u>	<u>42,411</u>
Total	<u>\$ 516,056</u>	<u>\$ 545,589</u>

The reconciliation of the Operating Fund to the current assets as reported in the June 30, 2007 and 2006 consolidated balance sheets is as follows (in thousands):

	2007	2006
Current assets reported in consolidated balance sheets:		
Securities purchased under agreements to resell	\$ 36,326	\$ 45,806
Interest Receivable	7	2
Less securities purchased under agreements to resell not held in funds required by the Bond Resolution	<u>(3,260)</u>	<u>(3,397)</u>
Operating Fund	<u>\$ 33,073</u>	<u>\$ 42,411</u>

**Early Redemption of Bonds** – Bonds outstanding at June 30, 2007 are generally subject to redemption, in whole or in part, prior to maturity at the option of IPA. Redemption prices range from 100% to 102%, depending on the redemption period, plus accrued interest to the date of redemption.

**Bondholder Tender Option** – Currently, interest rates on the 1985 Series E and F bonds are adjustable periodically to rates based upon prevailing market conditions for maturities up to semiannual durations. The bondholders of these issues may, and in certain circumstances must, tender their bonds for redemption at par on any interest rate adjustment date.

# Classification Required Courses by Crew

For Crew

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Class ID	Class Description	Course No.	Course Description	Course Regulation
43	FUEL EQUIPMENT OPERATOR I			
		1002E	PULMONARY FUNCTION TEST	1910.134(b)(10),ANSI Z88.2-1980,Z88.6
		1045	AUDIOMETRIC TEST (HEARING)	1910.95(g)
		1001	CPR CLASS	1910.269(b)(1)
		1002D.1	RESPIRATOR CERTIFICATION PRACTICAL	
		1010A.1	FIRE EXTINGUISHER PRACTICAL	
		2436	OPERATION OF AIR EMISSION PRODUCING	
		1050	IPSC ENVIRONMENTAL POLICY PAI #191	
		1002D	RESPIRATOR CERTIFICATION	1910.134(b)(3)
		1038	HEARING CONSERVATION CLASS - 1 YR.	1910.95(c)
		1003	FIRST AID	1910.269(b)(1)(ii)
		1005	DRIVER'S LICENSE	1910.139(Pending Final Rule)
		1010A	FIRE EXTINGUISHER TRAINING	1910.157(g)
		1020	HAZARDOUS COMMUNICATION PROGRAM	1910.1200
		1020C	CONFINED SPACE ENTRY	1910.269(e),1910.146(g)(3)
		1035	EMERGENCY PROCEDURES	1910.38
		1010A	FIRE EXTINGUISHER TRAINING	1910.157(g)
		1003	FIRST AID	1910.269(b)(1)(ii)
		1020	HAZARDOUS COMMUNICATION PROGRAM	1910.1200
		1038	HEARING CONSERVATION CLASS - 1 YR.	1910.95(c)
		1050	IPSC ENVIRONMENTAL POLICY PAI #191	
		2436	OPERATION OF AIR EMISSION PRODUCING	
		1002E	PULMONARY FUNCTION TEST	1910.134(b)(10),ANSI Z88.2-1980,Z88.6
		1002D	RESPIRATOR CERTIFICATION	1910.134(b)(3)
		1002D.1	RESPIRATOR CERTIFICATION PRACTICAL	

## Classification Required Courses

Class ID	Class Description	Course No.	Course Description	Course Regulation
51	LABORER			
		2799.19	FALL PROTECTION	1910.147,.269
		1001	CPR CLASS	1910.269(b)(1)
		1002E	PULMONARY FUNCTION TEST	1910.134(b)(10),ANSI Z88.2-1980,Z88.6
		1045	AUDIOMETRIC TEST (HEARING)	1910.95(g)
		1010A.1	FIRE EXTINGUISHER PRACTICAL	
		1002D.1	RESPIRATOR CERTIFICATION PRACTICAL	
		1019D.1	CRANE HAND SIGNALS	
		1050	IPSC ENVIRONMENTAL POLICY: PAI #191	
		1020C.1	CONFINED SPACE ATTENDENTS	1910.269(e). 1910.146 (g)(3)
		2799.33	PERSONAL PROTECTIVE EQUIPMENT TRAINING	
		1006-3	FORKLIFT TRAINING - 3 YEARS	1910.178
		1003	FIRST AID	1910.269(b)(1)(ii)
		1005	DRIVER'S LICENSE	1910.139(Pending Final Rule)
		1002D	RESPIRATOR CERTIFICATION	1910.134(b)(3)
		1038	HEARING CONSERVATION CLASS - 1 YR.	1910.95(c)
		1007	TAGGING FOR REQUESTORS	1910.269(d)(2)(vi)(vii)(viii)(ix)
		2833A	SCAFFOLDING REFRESHER FOR USERS	
		1010A	FIRE EXTINGUISHER TRAINING	1910.157(g)
		1020	HAZARDOUS COMMUNICATION PROGRAM	1910.1200
		1035	EMERGENCY PROCEDURES	1910.38
		1020C	CONFINED SPACE ENTRY	1910.269(e),1910.146(g)(3)
		1053	MANLIFTS - MOBILE EQUIPMENT TRAINING	
		2339	MAINT. BLOCK SYSTEMS TRAINING	
		1054	SMALL LOADERS - MOBILE EQUIPMENT TR.	
		2799.19.1	FALL PROTECTION PRACTICAL	
		2833A.1A	SCAFFOLDING REFRESHER PRACTICAL	
		1056	HIGH PRESSURE WASHERS	

waste. Any extra soil not used to cover the waste can be evenly spread over the finished cell.

## **COMBUSTION BY-PRODUCTS LANDFILL**

### **Wastes Allowed in the Combustion By-Products Landfill (landfill):**

- Industrial solid wastes directly associated with the combustion of fossil fuels (coal) including fly ash, bottom ash and boiler slag, flue gas desulfurization wastes such as scrubber sludge, economizer and pulverizer rejects, coal contaminated with large quantities of dirt or rock, other items directly connected with the combustion of coal and co-disposed with items listed above such as the baghouse bags and cages.

### **Wastes NOT Allowed in the Combustion By-Products Landfill (landfill):**

- Hazardous wastes, liquid wastes, household wastes, commercial wastes, any wastes that are more than 30% water by weight, and any wastes not listed in the allowed section above.

### **Landfill Operation for the Combustion By-Products Landfill (landfill):**

- The operations plan shall be kept onsite (at the Administration Building by the Environmental Group).
- The landfill shall continue to be operated so that unauthorized entry to the landfill is prevented.
- No wastes other than those allowed by the permit are to be put in the landfill.
- The wastes need to be managed to prevent fires and minimize fugitive dust.
- Disposal of non-containerized material containing free liquids or any waste containing free liquids in containers larger than five gallons is prohibited. Free liquids can only be put on the landfill for dust control. Any free liquids from the guzzler truck can only be placed on the active working area of the landfill for the purpose of dust control.
- The landfill roads shall be maintained as necessary to assure safe and reliable all-weather access to the disposal area.
- The record of landfill operations must be kept on file, and includes the annual calculated volume of waste materials, any major deviations from the approved plan which are to be recorded by the end of the day the deviation occurred.
- The general record of landfill operations shall include a copy of the permit and application, results of any inspections, closure and post-closure plans, and training records.
- An annual report must be submitted to the State, Environmental prepares this report.
- The landfill operation, permit, and so on should be inspected at least quarterly,